

Introduced by Senator Torlakson

February 22, 2005

An act to amend Section 5060 of, and to add Section 5060.5 to, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 651, as introduced, Torlakson. Vehicles: special interest license plates.

Existing law requires the Department of Motor Vehicles to issue special interest license plates to a person applying for the plates and paying certain fees if the issuance of the plates is required by statute, and the organization meets specified requirements, including, among other things, that the participating organization has received and submitted to the department not less than 7,500 applications for that particular plate within certain time limitations.

This bill, instead, would require the department, on and after January 1, 2006, to issue special interest license plates to an organization that applies to the department to sponsor a special interest license plate program, if the department determines the organization is a sponsoring organization and complies with certain requirements, including obtaining approval for the plate design from the department and the Department of the California Highway Patrol, and submitting to the department not less than 7,500 applications for the license plates within a specified time limit. The bill would impose specified fees for the issuance, renewal, transfer, and substitution of the plates.

The bill would authorize the department to disapprove a plate design on the basis that it includes speech not protected under the federal or state Constitution.

The bill would require the funds generated from fees charged for the plates to be allocated, upon appropriation, as specified.

The bill would authorize an organization to continue to participate in a special interest license plate program that was established under existing law before January 1, 2006, under certain circumstances.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5060 of the Vehicle Code is amended to
2 read:

3 5060. (a) ~~Am~~*Before January 1, 2006, an organization may*
4 *apply to the department for participation in a special interest*
5 *license plate program and the department shall issue special*
6 *license plates for that program if the issuance of those plates is*
7 *required by this article, the sponsoring organization complies*
8 *with the requirements of this section, and the organization meets*
9 *all of the following criteria:*

10 (1) Qualifies for tax-exempt status under Section 501(c)(3) of
11 the Internal Revenue Code and Section 23701d of the Revenue
12 and Taxation Code.

13 (2) Submits a financial plan describing the purposes for which
14 the revenues described in paragraph (2) of subdivision (e) will be
15 used.

16 (3) Submits a design of the organization's proposed special
17 interest license plate that, among other things, provides for the
18 placement of the number and letter characters in a manner that
19 allows for law enforcement to readily identify those characters.

20 (b) Any person described in Section 5101 may apply for
21 special interest license plates, in lieu of the regular license plates.

22 (c) The design criteria for a special interest license plate are as
23 follows:

24 (1) The license plate for a passenger vehicle, commercial
25 vehicle, or trailer shall provide a space not larger than 2 inches
26 by 3 inches to the left of the numerical series and a space not
27 larger than five-eighths of an inch in height below the numerical
28 series for a distinctive design, decal, or descriptive message as
29 authorized by this article. The plates shall be issued in sequential

1 numerical order or, pursuant to Section 5103, in a combination of
2 numbers or letters.

3 (2) Special interest license plates authorized under this article
4 may be issued for use on a motorcycle. That license plate shall
5 contain a five digit configuration issued in sequential numerical
6 order or, pursuant to Section 5103, in a combination of numbers
7 or letters. There shall be a space to the left of the numerical series
8 for a distinctive design or decal and the characters shall contrast
9 sharply with the uniform background color. No motorcycle plate
10 containing a full plate graphic design is authorized. Those
11 particular special interest license plates that were issued prior to
12 the discontinuation provided by this paragraph may continue to
13 be used and attached to the vehicle for which they were issued
14 and may be renewed, retained, or transferred pursuant to this
15 code.

16 (d) (1) No organization may be included in the program until
17 not less than 7,500 applications for the particular special interest
18 license plates are received. Each organization shall collect and
19 hold applications for the plates. Once the organization has
20 received at least 7,500 applications, it shall submit the
21 applications, along with the necessary fees, to the department.
22 The department shall not issue any special interest license plate
23 until an organization has received and submitted to the
24 department not less than 7,500 applications for that particular
25 special interest license plate within the time period prescribed in
26 this section. Advanced payment to the department by an
27 organization representing the department's estimated or actual
28 administrative costs associated with the issuance of a particular
29 special interest license plate shall not constitute compliance with
30 this requirement. The organization shall have 12 months,
31 following the effective date of the enactment of the specific
32 legislation enabling the organization to participate in this
33 program, to receive the required number of applications. If, after
34 that 12 months, 7,500 applications have not been received, the
35 organization shall immediately do either of the following:

36 (A) Refund to all applicants any fees or deposits that have
37 been collected.

38 (B) Contact the department to indicate the organization's
39 intent to undertake collection of additional applications and fees
40 or deposits for an additional period, not to exceed 12 months, in

1 order to obtain the minimum 7,500 applications. If an
2 organization elects to exercise the option under this paragraph, it
3 shall contact each applicant who has submitted an application
4 with the appropriate fees or deposits to determine if the applicant
5 wishes a refund of fees or deposits or requests the continuance of
6 the holding of the application and fees or deposits until that time
7 that the organization has received 7,500 applications. The
8 organization shall refund the fees or deposits to any applicant so
9 requesting. In no event shall an organization collect and hold
10 applications for a period exceeding 24 months following the date
11 of authorization as described in paragraph (2) of subdivision (a).

12 (C) Sequential plate fees shall be paid for the original
13 issuance, renewal, retention, replacement, or transfer of the
14 special interest license plate as determined by the organization
15 and authorized by department's regulations. Those plates
16 containing a personalized message are subject to the fees
17 required pursuant to Sections 5106 and 5108 in addition to any
18 fees required by the special interest license plate program.

19 (2) (A) If the number of currently outstanding and valid
20 special interest license plates in any particular program provided
21 for in this article is less than 7,500, the department shall notify
22 the sponsoring organization of that fact and shall inform the
23 organization that if that number is less than 7,500 one year from
24 the date of that notification, the department will no longer issue
25 or replace those special interest license plates.

26 (B) Those particular special interest license plates that were
27 issued prior to the discontinuation provided by subparagraph (A)
28 may continue to be used and attached to the vehicle for which
29 they were issued and may be renewed, retained, or transferred
30 pursuant to this code.

31 (e) (1) The department shall deduct its costs to develop and
32 administer the special interest license plate program from the
33 revenues collected for the plates.

34 (2) The department shall deposit the remaining revenues from
35 the original issuance, renewal, retention, replacement, or transfer
36 of the special interest license plate in a fund which shall be
37 established by the Controller.

38 (f) When payment of renewal fees is not required as specified
39 in Section 4000, or when a person determines to retain the
40 special interest license plate upon a sale, trade, or other release of

1 the vehicle upon which the plate has been displayed, the person
2 shall notify the department and the person may retain and use the
3 plate as authorized by department regulations.

4 (g) An organization that is eligible to participate in a special
5 interest license plate program pursuant to this article and receives
6 funds from the additional fees collected from the sale of special
7 license plates shall not expend annually more than 25 percent of
8 those funds on administrative costs, marketing, or other
9 promotional activities associated with encouraging application
10 for, or renewal of, the special license plates.

11 (h) (1) Every organization authorized under this article to
12 offer special interest license plates shall prepare and submit an
13 annual accounting report to the department by June 30. The
14 report shall include an accounting of all revenues and
15 expenditures associated with the special interest license plate
16 program.

17 (2) If an organization submits a report pursuant to paragraph
18 (1) indicating that the organization violated the expenditure
19 restriction set forth in subdivision (g), the department shall
20 immediately cease depositing fees in the fund created by the
21 Controller for that organization under paragraph (2) of
22 subdivision (e) and, instead, shall deposit those fees that would
23 have otherwise been deposited in that fund in a separate fund
24 created by the Controller, which fund is subject to appropriation
25 by the Legislature. The department shall immediately notify the
26 organization of this course of action. The depositing of funds in
27 the account established pursuant to this paragraph shall continue
28 until the organization demonstrates to the satisfaction of the
29 department that the organization is in compliance or will comply
30 with the requirements of subdivision (g). If one year from the
31 date that the organization receives the notice described in this
32 paragraph, the organization is still unable to satisfactorily
33 demonstrate to the department that it is in compliance or will
34 comply with the requirements of subdivision (g), the department
35 shall no longer issue or replace those special interest license
36 plates associated with that organization. Those particular special
37 interest license plates that were issued prior to the
38 discontinuation provided by this paragraph may continue to be
39 used and attached to the vehicle for which they were issued and
40 may be renewed, retained, or transferred pursuant to this code.

(3) Upon receiving the reports required under paragraph (1), the department shall prepare and transmit an annual consolidated report to the Legislature containing the revenue and expenditure data.

(i) (1) *An organization that complied with subdivision (a) before January 1, 2006, may continue to participate in its special interest license plate program until that particular program is discontinued under paragraph (2) of subdivision (d) or paragraph (2) of subdivision (h).*

(2) *An organization that did not comply with subdivision (a) before January 1, 2006, may participate in its special interest license plate program on and after that date only if it complies with Section 5060.5.*

SEC. 2. Section 5060.5 is added to the Vehicle Code, to read: 5060.5. (a) (1) On and after January 1, 2006, an organization may apply to the department to sponsor a special interest license plate program, and the department shall issue special license plates for that program, if the department determines that under subdivision (b) the organization is a sponsoring organization and the organization complies with all of the requirements of this section.

(2) The department shall process an application from a sponsoring organization that provides educational services, community services, or other, similar services, including, but not limited to, services to at-risk youth, environmental or conservation activities, or historic preservation, and is affiliated with, or has a program in support of, any of the following:

(A) National or California parks.

(B) A professional sports franchise located in the state.

(C) Conservation efforts on behalf of flora and fauna that is native to the state, including, but not limited to, the official state flora and fauna.

(D) A location in the state that is listed on the National Register of Historic Places.

(E) A college or university located in the state.

(3) The department shall process an application from an organization that does not conform to the description in paragraph (2) if the organization meets the criteria under subdivision (b).

1 (b) For the purposes of this section, an organization is a
2 sponsoring organization if the department determines the
3 organization meets all of the following criteria:

4 (1) Qualifies for tax-exempt status under Section 501(c)(3) of
5 the Internal Revenue Code and Section 23701d of the Revenue
6 and Taxation Code.

7 (2) Submits a financial plan describing the purposes for which
8 the revenues described in paragraph (2) of subdivision (h) will be
9 used.

10 (3) Submits to the department and the Department of the
11 California Highway Patrol a design of the organization's
12 proposed special interest license plate that, among other things,
13 provides for the placement of the number and letter characters in
14 a manner that allows for law enforcement to readily identify
15 those characters.

16 (4) Obtains written approval for the design submitted under
17 paragraph (3) from both the department and the Department of
18 the California Highway Patrol.

19 (c) A person described in Section 5101 may apply for special
20 interest license plates, in lieu of the regular license plates.

21 (d) The design criteria for a special interest license plate are as
22 follows:

23 (1) The license plate for a passenger vehicle, commercial
24 vehicle, or trailer shall provide a space not larger than 2 inches
25 by 3 inches to the left of the numerical series and a space not
26 larger than five-eighths of an inch in height below the numerical
27 series for a distinctive design, decal, or descriptive message as
28 authorized under this section. The plates shall be issued in
29 sequential numerical order or, pursuant to Section 5103, in a
30 combination of numbers or letters.

31 (2) Special interest license plates authorized under this section
32 may be issued for use on a motorcycle. That license plate shall
33 contain a five digit configuration issued in sequential numerical
34 order or, pursuant to Section 5103, in a combination of numbers
35 or letters. There shall be a space to the left of the numerical series
36 for a distinctive design or decal and the characters shall contrast
37 sharply with the uniform background color. A motorcycle plate
38 shall not contain a full plate graphic design.

1 (3) (A) The department and the Department of the California
2 Highway Patrol may approve a design under this section only if
3 the design complies with paragraph (1) or (2).

4 (B) The department may disapprove a design on the basis that
5 it includes speech that is not protected under the federal or state
6 Constitution.

7 (C) If the department disapproves a design pursuant to
8 subparagraph (B), the department shall explain in writing the
9 reasons for the disapproval.

10 (e) The department shall not approve an organization for
11 participation in the program until the department has received not
12 less than 7,500 applications for the particular special interest
13 license plates. An organization shall collect and hold applications
14 for the plates. Once the organization has received at least 7,500
15 applications, it shall submit the applications, along with the
16 necessary fees, to the department. The department shall not issue
17 any special interest license plate until an organization has
18 received and submitted to the department not less than 7,500
19 applications for that particular special interest license plate
20 within the time period prescribed in this section. Advanced
21 payment to the department by an organization representing the
22 department's estimated or actual administrative costs associated
23 with the issuance of a particular special interest license plate does
24 not constitute compliance with this requirement. The
25 organization shall have 12 months after the date that it applies to
26 the department for participation in the program to receive the
27 required number of applications. If, after that 12 months, 7,500
28 applications have not been received, the organization shall
29 immediately refund to all applicants any fees or deposits that
30 have been collected.

31 (f) In addition to the regular fees for an original registration or
32 renewal of registration, the following additional fees shall be
33 paid for the issuance, renewal, retention, or transfer of the special
34 interest license plates authorized under this section:

35 (1) For the original issuance of the plates, forty dollars (\$40).

36 (2) For a renewal of registration of the plates, or retention of
37 the plates, if renewal is not required, forty dollars (\$40).

38 (3) For transfer of the plates to another vehicle, fifteen dollars
39 (\$15).

1 (4) For each substitute or replacement plate, thirty-five dollars
2 (\$35).

3 (5) In addition, for the issuance of an environmental license
4 plate, as defined in Section 5103, the additional fees prescribed
5 in Sections 5106 and 5108. The additional fees prescribed in
6 Sections 5106 and 5108 shall be deposited in the California
7 Environmental License Plate Fund.

8 (g) (1) If the number of currently outstanding and valid
9 special interest license plates in any particular program
10 authorized under this section is less than 7,500, the department
11 shall notify the sponsoring organization of that fact and shall
12 inform the organization that if that number is less than 7,500 one
13 year from the date of that notification, the department will no
14 longer issue or replace those special interest license plates.

15 (2) Those particular special interest license plates that were
16 issued prior to the discontinuation provided by paragraph (1) may
17 continue to be used and attached to the vehicle for which they
18 were issued and may be renewed, retained, or transferred
19 pursuant to this code.

20 (h) (1) The department shall deduct its costs to develop and
21 administer the special interest license plate program from the
22 revenues collected for the plates.

23 (2) The department shall deposit the remaining revenues from
24 the original issuance, renewal, retention, replacement, or transfer
25 of the special interest license plates in a fund that shall be
26 established by the Controller. At the end of each fiscal year, the
27 department shall submit a report to the Controller that is
28 organized by participating organization and identifies the amount
29 that is attributable to fees charged under each organization's
30 special interest license plate program and deposited in the fund
31 during that fiscal year. Upon appropriation, the money in the
32 fund shall be allocated by the Controller to each participating
33 organization, in the amount reported by the department.

34 (i) When payment of renewal fees is not required as specified
35 in Section 4000, or when a person determines to retain the
36 special interest license plate upon a sale, trade, or other release of
37 the vehicle upon which the plate has been displayed, the person
38 shall notify the department and the person may retain and use the
39 plate as authorized by department regulations.

(j) An organization that is eligible to participate in a special interest license plate program under this section and receives funds from the additional fees collected from the sale of special interest license plates shall not expend annually more than 25 percent of those funds on administrative costs, marketing, or other promotional activities associated with encouraging application for, or renewal of, the special interest license plates.

(k) An organization authorized under this section to offer special interest license plates shall prepare and submit an annual accounting report to the department by June 30. The report shall include an accounting of all revenues and expenditures associated with the special interest license plate program. The department may suspend disbursement of revenues to an organization that does not submit the yearly report required under this paragraph on or before June 30 of the applicable year.

(2) If an organization submits a report pursuant to paragraph (1) indicating that the organization violated the expenditure restriction set forth in subdivision (j), the department shall immediately cease depositing fees in the fund created by the Controller for that organization under paragraph (2) of subdivision (h) and, instead, shall deposit those fees that would have otherwise been deposited in that fund in a separate fund created by the Controller, which fund is subject to appropriation by the Legislature. The department shall immediately notify the organization of this course of action. The depositing of funds in the fund established pursuant to this paragraph shall continue until the organization demonstrates to the satisfaction of the department that the organization is in compliance or will comply with the requirements of subdivision (j). If one year from the date that the organization receives the notice described in this paragraph, the organization is still unable to satisfactorily demonstrate to the department that it is in compliance or will comply with the requirements of subdivision (j), the department, from that date, shall discontinue issuing or replacing those special interest license plates associated with that organization. Those particular special interest license plates that were issued prior to the discontinuation provided by this paragraph may continue to be used and attached to the vehicle for which they were issued and may be renewed, retained, or transferred pursuant to this code.

1 (3) Upon receiving the reports required under paragraph (1),
2 the department shall prepare and transmit an annual consolidated
3 report to the Legislature containing the revenue and expenditure
4 data.

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